

**MINNESOTA HOUSING MONTHLY PAYMENT LOAN  
NOTE**

Date: \_\_\_\_\_ Maturity Date: \_\_\_\_\_  
(10-year term)

Monthly Payment Loan Amount: \$ \_\_\_\_\_  
(available in \$100 increments within program guidelines)

**BORROWER NAME**

\_\_\_\_\_  
**Last First MI**

**CO-BORROWER NAME**

\_\_\_\_\_  
**Last First MI**

**PROPERTY ADDRESS**

\_\_\_\_\_  
**Street City**

\_\_\_\_\_  
**County Zip Code**

The land at the above-listed address in the State of Minnesota along with the residential dwelling unit currently located thereon or to be constructed thereon are collectively referred to in this Note as the "Property."

**BORROWER'S PROMISE TO PAY PRINCIPAL AND INTEREST**

1. The above named Borrower and Co-Borrower, if applicable (collectively, the "Borrower"), jointly and severally agree to pay to the order of

\_\_\_\_\_  
(name of Lender)

(the "Lender"), whose address is

\_\_\_\_\_  
(address of Lender)

the principal amount of

\_\_\_\_\_  
(original loan amount in words)

(\$ \_\_\_\_\_) (the "Monthly Payment Loan"),  
(numeric original loan amount)

plus interest from the date hereof on the principal amount hereof remaining unpaid from time to time at the rate of \_\_\_\_\_% per annum, such  
(interest rate equal to the First Mortgage Loan interest rate)

principal sum and interest to be payable in installments as follows:

\$ \_\_\_\_\_  
(monthly Principal and Interest payment)

beginning on the first day of \_\_\_\_\_ and on the first  
(first payment date equal to first mortgage payment date)

day of each succeeding month thereafter until this Note is fully paid, except that the final payment of principal and interest, if not sooner paid, shall be due on \_\_\_\_\_.  
(first payment date plus 119 months)

All interest payable under this Note shall be computed on the basis of a 360-day year composed of twelve 30-day months.

The proceeds of the Monthly Payment Loan shall be disbursed on the date hereof and used to assist the Borrower in paying all or a portion of the costs related to the closing of that certain loan from \_\_\_\_\_,  
(name of Lender)

of even date herewith, in the original principal amount of  
\$ \_\_\_\_\_  
(numeric First Mortgage Loan amount)

(the "First Mortgage Loan") and/or all or a portion of the downpayment for the purchase of the Property.

#### **BORROWER PAYMENTS**

2. All payments made by the Borrower to the Lender that are not specifically designated as a payment of a specific amount due and owing to the Lender under a specified agreement shall be applied by the Lender in the following order of priority:
  - a) First, to amounts, if any, owing under any agreement or document that secures the repayment of the amounts owing under this Note;
  - b) Second, to late charge amounts, if any, owing under this Note;
  - c) Third, to accrued and unpaid interest under this Note; and
  - d) Fourth, to unpaid principal under this Note.
3. All of the payments required hereunder shall be made to the Lender at its address shown herein, or at another address the Lender may specify from time to time in writing to the Borrower.

#### **PREPAYMENT**

4. This Note may be prepaid, in full or in part, at any time without penalty, upon written notice to the Lender, if all monthly installment payments hereunder then due have been paid in full. Any prepayments will be applied, first, to any accrued and unpaid interest on the principal amount of this Note to be prepaid, and, second, to the prepayment of principal of this Note. A partial prepayment will be applied to monthly installments of principal of this Note in inverse order of maturity and will not otherwise change the date or amount of any installment payment due hereunder, unless agreed to in writing by the Lender.

## **LATE CHARGES**

5. If the Lender has not received the full amount of any monthly payment within \_\_\_\_\_ calendar days after the (same number of calendar days as the First Mortgage Loan) date the installment is due, the Borrower shall promptly pay a late charge to the Lender in an amount equal to 4% of the amount of delinquent principal and interest.

## **MORTGAGE**

6. The repayment of the indebtedness evidenced by this Note is secured by the Minnesota Housing Monthly Payment Loan Mortgage, of even date herewith, granted by the Borrower (the "Monthly Payment Mortgage"), and this Note is the Monthly Payment Note referenced therein. All of the terms and conditions of the Monthly Payment Mortgage are incorporated herein by reference as if fully set forth herein.

## **ACCELERATION OF MATURITY; COSTS**

7. Notwithstanding anything to the contrary in Section 1 of this Note, the total outstanding unpaid principal balance of this Note shall become due and payable, with accrued interest thereon, upon written notice from the Lender to the Borrower, following the occurrence of any one or more of the following events:
- a) The maturity of this Note is accelerated following a default as provided in Section 16 of the Monthly Payment Mortgage;
  - b) Payment in full of the First Mortgage Loan, which includes, but is not limited to, a refinancing of the First Mortgage Loan, unless the Lender waives in writing the acceleration of the maturity of this Note;
  - c) The maturity date of the First Mortgage Loan;
  - d) All payments due and owing on the First Mortgage Loan are declared immediately due and payable; or
  - e) The Lender determines that any of the Borrower's representations made herein or any other information furnished by the Borrower to the Lender regarding the First Mortgage Loan or the Monthly Payment Loan are inaccurate or misleading in any material respect as of the date made.
8. If any payment due under this Note is not paid when due, and this Note is placed in the hands of any attorney or attorneys for collection or foreclosure of the Monthly Payment Mortgage or enforcement of any other security instrument securing payment hereof, the Borrower agrees to pay, in addition to the amount due hereon, the reasonable costs and expenses of foreclosure and collection (including attorneys' fees), and all such costs and expenses shall be secured by the Monthly Payment Mortgage.

## **BORROWER REPRESENTATIONS; FURTHER ASSURANCES; APPLICATION OF PROCEEDS**

9. The Borrower makes the following representations to the Lender:
- a) The Borrower is the record owner of the Property as of the date hereof.
  - b) The information provided by the Borrower to the Lender in connection with the Borrower's application for the First Mortgage Loan and the Monthly Payment Loan is true and correct in all material respects.
10. The Borrower will cooperate fully with the Lender in obtaining and furnishing all information with respect to the Borrower's qualification for the First Mortgage Loan and the Monthly Payment Loan as the Lender

may reasonably request, and will execute any and all documents needed to further evidence and secure the repayment of the Monthly Payment Loan as the Lender may reasonably request.

#### **SUBORDINATE NOTE**

11. The Monthly Payment Loan is subordinate to the First Mortgage Loan and the indebtedness secured thereby.

#### **ASSIGNMENT**

12. The Borrower may not assign all or a portion of their interests in this Note without the prior written consent of the Lender, which consent may be withheld by the Lender in its sole discretion.
13. The Lender may assign its rights under this Note at any time without the consent of or notice to the Borrower.

#### **AMENDMENTS**

14. No amendment or modification of this Note shall be effective unless it is in writing and signed by the Borrower and the Lender.

#### **BINDING NATURE**

15. This Note shall be binding upon the Borrower and their successors and permitted assigns and is given for the benefit of the Lender and its successors or assigns.

#### **WAIVERS**

16. No waiver by the Lender of any term or condition of this Note shall be valid unless it is in writing and signed by the Lender, nor shall any such waiver be deemed a continuing waiver of such term or condition or waiver of any other term or condition.
17. No failure or delay by the Lender to exercise any right or remedy under this Note shall waive such right or remedy.

#### **OBLIGATIONS UNDER THIS NOTE**

18. The Borrower and all others who are liable for the repayment of all or any part of the Monthly Payment Loan hereby agree to be jointly and severally bound and jointly and severally waive demand, protest, notice of nonpayment and any and all lack of diligence or delays in collection or enforcement thereof, and specifically consent to any extension of time or release of any party liable for the payment of such loan, including any maker, or acceptance of other security therefor. Any such extension or release may be made without notice to the uneffected party and without in any way altering the liability of the uneffected party.

#### **NOTICES**

19. Any notice that must be given under this Note shall be given by delivering or mailing, by certified mail, such notice to the address shown above for the Lender, or such other address as the Lender may designate in writing to the Borrower, and to the Property Address shown above for the Borrower, or at such other address as the Borrower may designate by written notice to the Lender.

#### **GOVERNING LAW**

20. This Note is made and delivered in the State of Minnesota and shall be construed and enforced according to the laws of the State of Minnesota.

**BORROWER ACKNOWLEDGEMENT OF RECEIPT**

21. The Borrower acknowledges receipt of a copy of this Note.

\_\_\_\_\_  
Borrower's Signature

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Print Borrower Name)

\_\_\_\_\_  
Co-Borrower's Signature

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Print Co-Borrower(s) Name)

**TIL and NMLSR ID**

\_\_\_\_\_  
Loan Originator Company Name

\_\_\_\_\_  
Loan Originator Individual Name  
(as name appears on NMLSR)

\_\_\_\_\_  
Loan Originator Company NMLSR ID

\_\_\_\_\_  
Loan Originator Individual NMLSR ID  
(if applicable)

**ENDORSEMENT TO MHFA**

Without recourse, pay to the order of the Minnesota Housing Finance Agency.

Lender: \_\_\_\_\_  
(Print Lender Company Name)

\_\_\_\_\_  
(Signature of Authorized Lender Representative)

By: \_\_\_\_\_  
(Print Name of Authorized Lender Representative)

Its: \_\_\_\_\_  
(Print Title of Authorized Lender Representative)